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EGG OUTPUT NEXT WINTER MAY BE UP A LITTLE

Egg production only slightly larger next winter than this winter is indicated by farmers' expressed intentions in February to raise 6 percent more replacement chickens this spring. Turkey output about the same size as in the last half of 1957 had been indicated by growers in January.

The chickens-raised intentions would lift the number to about 420 million from the 394 million of 1957.

Intentions Significant

Intentions are not positive indications of actual production but in the past they have been sufficiently good indicators of trend to deserve respect. In fact, one reason why the U. S. Department of Agriculture compiles intentions reports is to give farmers a chance to reconsider their production plans if this seems advisable to them after they discover what other farmers plan.

This article, therefore, will consider probable developments if these intentions are carried out and will compare the season's developments to date with the expressed intentions.

First, how do the intended increases in chickens raised divide regionally?

The increases range from 3 percent more in the North Atlantic States to 14 percent more in the South Central group. Other intended increases are Western States, 4 percent; North Central, 5 percent; and South Atlantic States, 6 percent.

These changes would be from a 1957 level which, for the Nation, was the lowest in the 34 years during which such estimates have been made. But for several reasons, the 394 million chickens raised in 1957—18 percent fewer than in 1956—didn't result in a proportionately reduced egg production.

First, of these chickens raised, more were sexed pullets than in any previous year and farmers intend 61 percent of their 1958 chick purchases (excluding broilers) to be sexed pullets, compared with 60 percent last year and 30 percent 10 years ago.

Pullet Numbers

Second, the year-to-year changes in the number of pullets available as layers can be partially offset by changes in the number of hens kept over for a second laying year. Usually about half

of the pullet layers are retained as hens for this purpose. But the proportion can be altered enough to noticeably smooth out the variations that you would expect as a consequence of changes in the numbers of chickens raised.

Right now, the laying flock contains an unusually large proportion of hens. Because they will be moved out of the flock this summer and fall, the total laying flock at the end of 1958 won't be increased above the year earlier by the same extent that chickens raised are increased in 1958.

Finally, the rate of egg production per bird seems to go up every year. In recent years, it has increased at about the same percentage as the increase in population. Consequently, so long as this trend continues, an egg-laying flock of static size would suffice to provide a steady annual per capita egg supply.

The net result of all these influences, if farmers stick to their intentions to raise 6 percent more chickens, would likely be to provide a January 1, 1959, laying flock about the same size as the 321 million layers on hand this January 1.

A larger proportion of next season's flock will be pullets and a smaller proportion will be hens, compared with this winter. They will likely lay at a higher average rate per bird than this year's flock, particularly in the fall of 1958. As a result, egg supply per person in the fall may be slightly larger than in 1957. All this is based on the assumption farmers will stick close to their intended 6 percent increase.

So far, however, the monthly hatchings of replacement chicks are running more than 6 percent ahead of last year. January hatchings of egg-type chicks were 11 percent greater than last January and eggs in incubators this February 1 were 10 percent greater than

last year. January and February provided about 16 percent of the total 1957 hatch of replacement chicks, so the season is far from "made" by hatchings in the first 2 months.

Certainly it is clear, however, that the important hatching months of March and April cannot show equal percentage increases with January and February if the earlier relatively favorable egg price outlook for fall is to be maintained.

The intention to raise 1 percent more turkeys, with the increase solely among the Bronze birds, seems to run counter to hatchery and related activity in recent months.

Recent hatchery operations and other indications have not been consistent with a 1-percent increase from 1957's record 80.6 million turkeys. Turkey breeder hens on hand January 1, 1958, were 7 percent fewer than a year earlier. Pullorum testings since July 1, 1957, have been 10 percent fewer. Hatchings from September 1, 1957, through January 1958 have been 26 percent fewer. Eggs in incubators February 1 were 19 percent fewer.

All these, however, are only early-season indications, which can be changed. Last season the poult hatched before the end of February were only 19 percent of the season's hatch. Furthermore, early-season operations in 1957 were on a grand scale, which tapered down sharply before the hatching season ended.

Maybe 1958 is proceeding on a more nearly "normal" seasonal pattern. In comparison with the year before, it may show the reduction in early-season poult to be compensated by an increase in later hatchings. Late 1958 prices are unlikely to exceed 1957 prices if this is the case.

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WHAT ARE 1958 PROSPECTS FOR TUNG NUT GROWERS?

Incentives that led farmers to expand their output of tung nuts during and immediately after World War II have just about disappeared.

Unstable supply and prices have led industrial users to substitute other oils, such as linseed and dehydrated castor oil, also with good quick-drying properties. Quality synthetics also have been developed as drying agents and now supply an increasingly large share of the needs of the paint and varnish industries.

Minor Factor

Today, tung holds less than 5 percent of the market for drying oils and ranks as a relatively minor factor in the market.

What is the picture for 1958?

Since 1950, domestic use of tung oil has been severely cut back and is now stabilized at about 50 million pounds annually.

U. S. output of tung nuts, only 1,200 tons in 1939, reached a peak of 132,000 in 1952. Oil production in these years rose from less than a million pounds to 43 million pounds.

In 1953, output of the nuts dropped slightly to 120,000 tons. Frost damaged each crop from 1954 through 1957, reducing the 1954 crop two-thirds and virtually wiping out the 1955 crop. In the past 2 years, output of the nuts at slightly more than 100,000 tons annually is still below the 1952 peak.

New plantings of tung trees in the past 5 years have been mainly for replacement or for better utilization of old plantings. Barring unfavorable weather, production is likely to remain relatively stable over the next few years.

The tung nut belt is about 100 miles wide along the Gulf Coast from north central Florida into eastern Texas. Freeze damage has caused widely varying production. It will continue to do

so until research develops later-blooming varieties.

Support for 1957-crop nuts has been set at \$52.13 per ton (basis 18.5 percent oil content) equivalent to 65 percent of parity. The equivalent support price for tung oil is 20.5 cents per pound. Purchase agreements and loans on tung oil are available through June 30. Loans mature October 31 or earlier on demand by Commodity Credit Corporation.

Imports of tung oil last year, mainly from Argentina, totaled 31.5 million pounds, or about as great as domestic output. Imports from September 9, 1957, to October 31, 1958, are restricted to 26 million pounds by Presidential proclamation.

Beginning stocks of tung oil in the marketing year which began last November 1 were 25 million pounds, nearly twice as large as on November 1, 1956. About 15 million pounds of these were in the hands of CCC, acquired under the 1956 crop support program.

Domestic supplies of tung oil—production plus stocks but excluding imports—for this marketing year are estimated at nearly 57 million pounds, exceeding estimates of domestic disappearance by about 7 million pounds.

Imports

Imported tung oil prices have been below the support level of domestically produced oil. As a consequence, most of the current year's domestic production that is eligible is being placed under the support program.

If U. S. consumption continues at the 50-million-pound rate, available import quotas should be used up and some domestic oil should be redeemed from CCC during the last few months of the marketing year. If this occurs, CCC presumably would acquire an additional 10 million pounds of tung oil.

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Should You Change Your Crop Plans?

Would it help you in making your 1958 planting plans if you knew what other growers intend to do?

You can find out what other farmers plan by reading "Prospective Plantings for 1958," issued March 18 by your Crop and Livestock Reporting Service of the U. S. Department of Agriculture.

Maybe you've heard of this as the "March Intentions Report." The name isn't so important as what it does. It will show you how many acres other farmers planned, about March 1, to plant in corn, spring wheat, oats, barley, flaxseed, rice, sorghums, potatoes, sweetpotatoes, tobacco, dry beans and peas, soybeans, peanuts, hay, and sugar beets.

These 16 principal spring-sown crops account in a normal year for 75 to 80 percent of all crops grown in this country. So, whatever your crops, wherever you live, this report is important to you.

Approximately 80,000 farm men and women throughout the country made this report possible by filling out a card-questionnaire mailed them by State agricultural statisticians. In analyzing reports, the Crop Reporting Board took into consideration the probable effects of various farm programs. These include the Soil Bank and acreage allotment and marketing quota programs for six basic commodities: Corn, wheat, tobacco, cotton, rice, and peanuts.

You Can Change Your Plans

The report is issued early enough each year so that you can change your own planting plans, after reading it, if you decide it would be wise to do so.

Of course, farmers who fill out the questionnaires may change their minds, too, about their planting plans, when they have read the finished report.

Then, there is the weather to consider. Price changes. Labor supply.

Financial conditions. Changes in agricultural programs. All these factors may affect the actual acreage of any crop regardless of what farmers plan to do on any given March 1.

But don't sell this report short, even for one minute. Over the 35 years that the "Prospective Plantings" report has been issued, it has been an excellent guidepost to the general trend in crop acreage each year.

It can help you in other ways. You can use it to decide whether you want to increase your storage facilities. Maybe, after reading it, you will make up your mind that you want to sell present stocks. Or you may decide to hold them for a possible price rise.

If you received the questionnaire, you will also get a copy of "Prospective Plantings." If you did not get the questionnaire, you can, nevertheless, obtain the report free of charge. Just write to your State agricultural statistician.

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More Honey in 1957

Honey production in 1957 was 242 million pounds, 14 percent more than in 1956, although slightly below the 1951-55 average, according to the Crop Reporting Board.

The crop was produced by 5.4 million colonies of bees, 2 percent more than in 1956. The per-colony production—44.8 pounds>equals the 5-year average and is 11 percent above the 1956 figure of 40.2 pounds. Beeswax production was nearly 9 percent greater than in 1956.

Beekeepers received an average of 18.8 cents per pound on their 1957 honey sales, a little less than in 1956. For extracted honey in wholesale lots, the principal method of sale, they received 15 cents a pound, compared with 15.2 cents in 1956. Beeswax prices averaged 57 cents, 2.4 cents higher than in 1956.

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1958 ACREAGE GUIDES FOR VEGETABLES

Acreage-marketing guides for 1958-crop summer and fall potatoes, vegetables for fresh use, summer melons, sweetpotatoes, and vegetables for processing have been issued by the U. S. Department of Agriculture. Action by growers is voluntary.

Increases from 1957 acreage (5 percent): Early summer carrots and green peppers, midsummer cantaloups, summer cauliflower, late summer cabbage, carrots, cucumbers, tomatoes, and cantaloups, early fall cabbage.

Increases (15 percent): Early summer cantaloups.

Decreases (5 percent): Early summer watermelons, late summer onions, early fall lettuce, and snap beans.

Further Cuts

Decreases (10 percent): Early fall tomatoes.

Decreases (15 percent): Summer spinach.

Decreases (20 percent): Late fall cucumbers and lettuce.

Same as 1957 acreage:

Sweetpotatoes; early summer cabbage, celery, sweet corn, cucumbers; summer snap beans, beets, eggplant, peas; late summer celery, sweet corn, green peppers, watermelons; early fall carrots, cauliflower, celery, peas, spinach; fall broccoli, green peppers; late fall snap beans, cabbage, carrots, cauliflower, celery, spinach, tomatoes.

For commodities varying between States for seasonal and subseasonal groups, the recommended 1958 acreage would be the same as 1957 acreage where grown, except in the following States and commodities:

Early summer onions, 30 percent less in Texas and New Mexico, 10 percent less in New Jersey; early summer tomatoes and summer lettuce, 10 percent less in California; summer lima beans,

10 percent more in Georgia; early fall cucumbers, 15 percent less in Virginia and 5 percent less in all other States; fall eggplant and sweet corn, 15 percent less in Florida.

For vegetables used for commercial processing: Lima beans and cabbage for kraut, 5 percent more than in 1957; snap beans and sweet corn, 5 percent less; green peas and spinach, 10 percent less; beets, tomatoes, cucumbers (for pickles), unchanged.

A reduction of 6 percent in total 1958 acreage of summer and fall potatoes is also recommended.

Potato Per-Acre Yields

While farmers generally have been reducing acreage in recent years, the reduction has not been great enough to offset the upward trend in per-acre yields. Production, consequently, frequently threatens to exceed market requirements.

Here are the 1958 acreage recommendations compared with 1957:

Early summer States—reductions of 15 percent in Delaware and Texas; 4 percent in Kansas; 3 percent in Virginia; others unchanged.

Late summer States—reductions of 15 percent in New Mexico and Washington; 14 percent in Colorado; 11 percent in Wisconsin; 9 percent in Minnesota and Rhode Island; others unchanged.

Fall States—reductions of 15 percent in Minnesota, North Dakota, Wyoming, Utah, Nevada, and Washington; 10 percent in New York (Long Island); 8 percent in Idaho; 7 percent in Oregon; 5 percent in Maine; 3 percent in Rhode Island and Colorado; 2 percent in Massachusetts; 1 percent in Montana; others unchanged.

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Salad Vegetable

Production Up

Vegetable growers, always alert to changing demand, are capitalizing on the growing popularity of salads in the American diet by producing more salad vegetables.

Since 1940, they have expanded production of these crops by more than 50 percent. In this period, production of other fresh vegetables, which usually require cooking, increased by only about 10 percent.

Today salad items account for 40 percent of fresh vegetable production. The most important vegetables used primarily for salad are lettuce, tomatoes, celery, cucumbers, bell peppers, escarole, and endive. These are the "hot" items in the fresh vegetable field.

Lettuce

The increase in lettuce production is the most spectacular development in the fresh vegetable industry. Lettuce now provides about half the tonnage of the salad crops and ranks first among all fresh vegetables. Output has doubled in the last 18 years.

Western States are the principal source of lettuce, producing over 90 percent of the Nation's supply. They dominate because favorable climate and ability to control moisture are essential for maximum yield and quality. California, the leading State, provided three-fifths of last year's production. Arizona, Texas, New Jersey, New York, and Colorado ranked in that order as important secondary sources.

The crisp-head type, known to the trade as "iceberg" lettuce, is by far the most important of the varieties grown commercially. Butter-head types called Big Boston and Bibb have become quite popular in some sections in recent years. Production of romaine or cos lettuce has also increased sharply. These more unusual varieties are used extensively in tossed salads.

Production of escarole and endive (frequently referred to as chicory) has nearly tripled in the last 20 years. Being leafy salad components, these crops are closely allied with lettuce.

The tonnage produced is small compared with lettuce, but escarole and endive are important in some areas. Until the mid-1930's they were grown on a limited scale in market garden areas. Florida growers took the lead among shipping districts in their production and today this State provides over half of the Nation's supply. New Jersey is also an important producer.

Celery, which contributes about one-fifth of the tonnage in the salad group, has increased in production almost 50 percent since 1940. The growing popularity of green celery contributed to this expansion. Thirty years ago, white or golden varieties dominated celery production, but these strains account for only a small percentage of today's supplies.

The increase in celery production has been registered in California and Florida, the two big factors in this crop. California, which ships celery in volume throughout the year, provided 60 percent of the Nation's supply in 1957.

Florida, where climate restricts harvest to the winter and spring seasons, furnished 26 percent. Michigan and New York accounted for 8 percent. The remainder came from several scattered States.

Cucumbers Popular

Fresh cucumber production has increased nearly one-half since 1940. While the tonnage of this vegetable is only one-twentieth of the salad group, it is a popular item. Florida is the leading source, supplying two-fifths of the Nation's needs. Increases there and in California, second most important producer, account for expansion of this crop.

Green pepper marketings are about 40 percent greater than they were in 1940. Expanding production in Florida, principal source from November until June and the leading producer, is

responsible. During the remainder of the year, supplies are available in many States for nearby markets.

Tomatoes for fresh use account for one-fourth of the annual tonnage of salad vegetables. Annual production is only one-fifth larger than in 1940. California and Florida, the 2 leading States, account for this increase. Other States, where supplies are available for limited periods, have been unable to expand their output. In some, production has declined.

Tomatoes

The increase in tomato production since 1940 is less than the growth in population, because, on the average, consumers are buying fewer commercial fresh tomatoes than in 1940.

Decline in per capita consumption of fresh tomatoes is apparently due to the marked expansion in production of processed tomatoes. Reduced losses through increased efficiency in distribution from farm to consumer is a factor, too.

Total production of those fresh vegetables which usually require cooking before serving has declined since 1946 after rising sharply during World War II. Increasing output of a few crops like fresh sweet corn has only partially offset reductions in others.

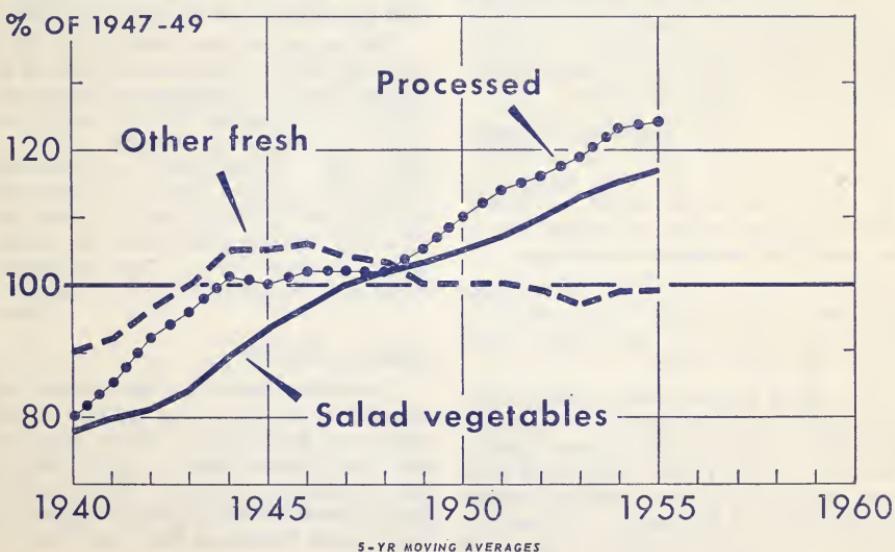
The average consumer is now buying a smaller total quantity of these vegetables in fresh form than he did in 1940. Increased consumption of salad vegetables apparently has been a factor but the rise in production of canned and frozen vegetables is considered an even more important reason.

Accompanying the decline in fresh production of lima beans, snap beans, beets, green peas, and spinach are marked increases in production of these commodities for processing. Production of most other processed vegetables has also risen sharply since 1940.

It seems likely these trends will continue in the years just ahead largely because of the ease in serving salad items and processed vegetables.

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VEGETABLE PRODUCTION



Cattle Inventory Down; Sheep Inventory Up

Revived grass and rising prices were not sufficient to turn cattle numbers upward during 1957. The inventory of cattle and calves on U. S. farms on January 1, 1958, showed a decline for the second successive year.

The decrease from January 1957 was half a million. From their high in January 1956, numbers have declined almost 3 million. This year's inventory is the smallest since 1952.

Regional Changes

Only two regions, the West North Central and the South Atlantic, increased their cattle numbers this January over last. Of the 11 States having increases, Kansas led with 14 percent. Nebraska and South Dakota, neighboring States, moved upward, as did Iowa. Florida, with a 5-percent gain, contributed most of the increase in the South Atlantic Region.

Numbers decreased in 33 other States, held steady in 4. Most reductions were of 3 to 5 percent. No State had a drop greater than 7 percent.

The continued decline in cattle numbers during 1957, despite more favorable conditions, is typical of a cattle cycle. Once started, a cyclical downward trend is hard to stop.

This is true, first, because cattlemen themselves don't change their minds immediately with the first shower or the first extra dollar added to prices. Nor should they; the cattle business is no place for impulsive decisions.

Second, after breeding stock have been sold for slaughter, they can't be replaced rapidly. It takes some time to rebuild cattle herds.

The third factor is that milk cattle numbers have declined. Last year's reduction in milk cows—almost half a million and the fourth reduction in a row—left the milk cow inventory at the lowest figure in 30 years. The decline is due to a large increase in rates of milk production per cow and to loss of demand for butterfat.

Milk cow numbers were cut this January from last in all regions except the South Atlantic and the West. The North Central and the North Atlantic regions, which contain almost two-thirds the Nation's total, were reduced 3 percent.

Milk calf and milk heifer numbers fell slightly last year. All milk cattle combined (cows, heifers, calves) were down 658,000 or 2 percent.

This reduction in milk animals accounted for all the decrease in total cattle numbers. What is termed "beef" cattle numbers (cows, heifers, and calves not for milk and all steers and bulls) actually went up slightly, approximately 123,000 head.

The beef cow inventory, however, was reduced. The drop of 327,000 head, or 1.3 percent, was rather generally distributed. Although cow slaughter was cut back sharply late in 1957 and bidding for stocker cows was active, there just were not enough beef cows to fill all demands. Only the Central Plains of Kansas, Nebraska, and South Dakota and a few Southern States reported any substantial increases in beef cow inventories on January 1, 1958.

The reduction this January in milk and beef cows combined amounted to 886,000 head. This drop is highly significant. It means that the 1958 calf crop will likely be smaller than the 1957 crop. With fewer replacements being born, cattle and calf slaughter would have to be cut back further before the current downswing in inventories can be ended. Calf slaughter, especially, would have to be reduced.

Decline Modest

These declines in inventories and in slaughter are part of a normal cattle cycle. And yet, the changes this time are less drastic than in most cycles. The 2-year decrease of 2.8 million in cattle inventories is smaller than in the similar period of recent cycles.

Moreover, with range conditions good and feed supplies large, the carryover of

young beef cattle has so far been maintained exceptionally well. Inventories of beef calves and heifers are up slightly this January. Those of beef steers made a big jump of 400,000 head or 4.4 percent.

Consequently, while cattle slaughter in 1958 is expected to be below 1957 because of fewer cows and heifers slaughtered, the reduction will not be great. Calf slaughter will of course be down more.

Beef Heifers

Beef heifer numbers held up well in both feeding and range areas. However, there was variability from State to State. Texas, Oklahoma, and Kansas added to beef heifer herds, preparatory to expansion of cow numbers. Scattered Western and Southern States increased herds somewhat. Some other States reduced.

More steers were held on farms and ranches to utilize the abundance of feed, both range feed and grain. A few States had big increases in steer inventories—Kansas, Florida, Texas, Nebraska, Iowa, South Dakota, Oklahoma.

Smaller inventories and the prospective moderate decrease in slaughter offer promise of well sustained prices for cattle in 1958, except for seasonal fluctuations.

Three percent fewer cattle were on feed this January than last. This indicates that many of the steers on hand were in pasture and range areas. However, placements on feed since January 1 have probably been above last year. At the same time, marketings of fed cattle in January and February were below last year. As a result of this later feeding schedule, prices of fed cattle advanced early in 1958. A seasonal decline of some size probably will occur this spring, to end in late spring or early summer.

Prices of grass cattle increased rather steadily during 1957, an unusual trend. One reason was the exceptional improvement in ranges and the huge feed crops harvested. It is highly unlikely such a trend will be repeated in 1958. More probable is an extension of recent prices for grass cattle until

a seasonal high in the spring. A decline during the summer and fall seems likely.

While the outlook is for general average of 1958 cattle prices to equal or surpass last year, the strength of demand will affect actual prices. Continued unemployment would weaken demand somewhat but probably not enough to have a marked bearing on prices.

Any slippage in demand for beef would be the first in almost a decade. Unlike pork, beef has had the benefit of a steady growth in consumer demand for a number of years.

The inventory of stock sheep and lambs on farms January 1, 1958, was 852,000 head greater than on January 1, 1957. The increase, although only 3 percent, was the largest since 1951 and the second largest since 1942. Sheep numbers declined steadily from 1942 to 1950 and have been almost stable since.

This year's addition to stock sheep resulted from improved ranges, higher prices, and incentive payments received for wool. Numbers were up in the North Central States, in Oklahoma and Texas, and in a few other States such as South Carolina, Florida, and Idaho. The West, as a whole, increased its stock sheep herds only 1 percent.

While stock sheep numbers advanced, the inventory of sheep and lambs on feed declined and the increase in total numbers of sheep and lambs was 488,000.

Lamb Prices

Prices of slaughter lambs in mid-February were \$3.00 to \$4.00 per 100 pounds higher than a year before. Continued interest in herd expansion could sustain prices during 1958 at a somewhat higher level than in 1957.

The major influence, however, will be the prices received for beef steers and heifers. Any big decline in the latter prices would be felt in the lamb market, too.

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Outlook

Livestock

A small decline in meat production is expected in 1958 for the second consecutive year. Pork will gain but not enough to offset the smaller beef output. Number of cattle and calves on farms January 1 was 1 percent smaller than a year earlier, the second straight drop in the current downturn.

Cows, heifers, and calves are being held back from slaughter as farmers prepare to rebuild herds, and slaughter of these classes probably will continue below last year. Marketings of fed cattle, though, will be close to the 1957 level.

No big change from a year earlier is expected in hog slaughter until fall marketings of the spring crop. Marketings may rise a little in late winter and early spring. Prices may dip at that time, though they are likely to remain relatively high through summer.

Dairy

A small increase in milk output is likely again this year as milk prices are expected to stay above average in relation to feed prices after they adjust to the lower support prices scheduled to go into effect April 1. Production will continue to exceed commercial use.

The decline in the average farm price for all milk may be about 4 percent assuming the parity index used to determine new supports will be the same as in January.

Eggs

Some rise in egg prices is expected in the next few months. Output during the seasonal peak in March or April will fall below the 1957 peak, with the laying flock 4 or 5 percent smaller than a year earlier. The start of full-scale breaking and storing will also strengthen prices. The mid-January price to farmers averaged 38.9 cents per dozen, almost 6 cents above last January.

Feed

Record large feed grain stocks have combined with high-moisture corn to hold feed prices this winter substantially below a year earlier. Other factors have been lower price supports and the relatively small percentage of farmers eligible for full support rate on 1957 corn.

Prices are likely to continue below a year earlier through at least the first half of 1958. In mid-January, the average to farmers was down 5 percent from November and 23 percent below a year earlier. Prices of high-protein feeds averaged 8 percent lower this January than last, and hay prices were down 17 percent.

Wheat

A tight situation in "free" wheat supplies is likely to develop in the next few months, and increased loan redemptions or sales of purchase agreement wheat may occur. Of the January 1 stocks of 1,377 million bushels, about seven-tenths are owned by CCC or under loan. The remaining "free" supply is less than indicated for combined domestic needs and for export from January through June.

Wheat prices generally have drifted lower from early December through mid-February and had not yet reflected the tightening situation in "free" supplies.

Vegetables

Prices for fresh vegetables in late winter are likely to average materially higher than those of a year earlier. Demand is expected to continue strong, and indicated fresh market supplies this winter will be much smaller than last. Serious damage to Florida crops from excessive rains and cold in January has reduced U. S. output of winter vegetables 15 percent below last year and 18 percent below normal.

"Bert" Newell's Letter

The rural telephone party line is a great institution. When I was a county agent, it was alternately the best friend and worst enemy I had. The local operator could, and did, locate me in short order in almost any part of the county. Sometimes that was a help, and sometimes it wasn't.

One trouble was that you never knew for sure who was listening in when you thought you were talking to just one person. Every now and then I would get back some of the darndest stories about what I had said or done and it would take me a week to clear myself.

Once there was a terrible mixup because one individual just happened to pick up the telephone and caught part of a conversation between the president of the tobacco growers association and one of the directors. That bit of conversation got twisted around into a "hot tip" on the market.

It sure amazed me that some farmers I had thought were pretty intelligent people sold their crop on the basis of rumor without checking facts that were easy to get.

When you get right down to brass tacks, the best protection a farmer has, in both marketing and production, is reliable information. This is true whether he uses these facts himself or they are used for him by his county agent, his cooperative marketing association, or by an honest, reputable dealer he employs to market his produce.

Just recently a farmer said to me: "What earthly good can it do me as a producer for you to tell all the buyers and handlers and all the world, in fact, that we have a big crop of potatoes? They just take that fact and beat down our prices."

Well, one perfectly obvious thing is that with an official report you know as much about how big that crop is as he does. Another obvious thing is that

if you are dealing with a reputable handler he needs to know the facts if he is going to do a good job of marketing for you.

Of course, if you are dealing with a fellow who is interested only in chasing a "fast buck," he doesn't want you to know any facts about it because that leaves him free to pass out any kind of information and build up the crop to any size that suits him to get your crop as cheaply as possible.

Well, maybe some folks would rather trust to "hot tips," or "inside stuff," or just plain rumor as a basis for planning production or selling the results of their hard labor. But for my part, I'll stick to hard facts.

An interesting sidelight on this incident about the potatoes was that this same man remarked that he had some red clover seed to sell and wondered if I had any dope on that. He said that he had heard that there was quite a good yield for this year's crop.

I looked up the figures and I told him that the yield had been pretty good, not as good as last year, but considerably better than average, but the total production was less than any of the past 3 years. "Well," he said, "that sounds a little different than the way I have been hearing it."

I don't know what he finally did but I do know he was in a much better dealing position than he had been before he got that information.

I still sort of like the rural party line telephones. They have their drawbacks, but they're still kind of neighborly. It's real handy sometimes when you're out visiting the neighbors to pick up your ring from their house.

When you "just happen" to pick up the phone and hear voices, don't breathe into the transmitter—they can hear you. And above all things, don't start rumors on what you hear—it might not have been the whole story.

But who am I to be telling you how to handle a party line?


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WHAT FACTORS INFLUENCE FEED GRAIN PRICES?

Record production last fall, poor harvesting weather, and mounting stocks all have combined to bring feed grain prices well below last year's level.

The Nation's feed bins are bulging from the 142-million-ton harvest of 1957 and a record 49-million-ton carry-over from preceding years.

The 1957 feed grain crop was 9 percent larger than that of 1956 and nearly a fifth above the 1950-51 average. Also, much of the corn and sorghum grain is high in moisture content and must be fed or artificially dried before warm weather this spring to avoid spoilage.

Price Declines

These circumstances explain much of the 20-percent decline from last year in the average prices received by farmers for feed grains. The average is now about 40 percent lower than 6 years ago, when the current feed grain price decline began. It is the lowest figure since World War II.

Still other reasons for this year's price reductions are that fewer corn producers are eligible for the full price support than in other recent years, and supports for feed grains are lower.

Only about 14 percent of the 1957 corn crop in the commercial area was produced in compliance with acreage allotments, which was required for eligibility for the full support price of \$1.40 per bushel.

The remaining 86 percent in the commercial area was produced by non-compliers and is eligible only for the lower support rate of \$1.10 per bushel. The average price received by farmers for corn dropped to 93 cents per bushel in mid-January, 47 cents below the national average support price to complying producers, and 17 cents below the support level to noncompliers.

In general, feed grain prices in the years since World War II have been in-

fluenced by the same forces which affected prices during the previous 2 or 3 decades.

Studies covering the past 30 years indicate the following are of major importance in influencing the price of corn and other feed grains: (1) The total supply of feed grains and other feed concentrates; (2) the number of livestock on farms; (3) prices of livestock and livestock products. The price support programs also have played a prominent role in influencing feed grain prices in a number of the postwar years.

An analysis for 1922-42 indicates these 3 factors accounted for around 90 percent of the year-to-year changes in corn prices during that period. These studies revealed, after allowing for the influence of other forces, that a 10-percent change in the annual supply of feed grains and other concentrates from the preceding year was normally associated with a change of about 24 percent, in the opposite direction, in corn prices.

Similarly, a 10-percent change in animal units was associated with a 19-percent change, in the same direction, in the price of corn. A 10-percent change in the prices received by farmers for livestock and livestock products was associated with a change of 11 percent, in the same direction, in the price of corn.

Price History

Sharp changes in feed grain prices in 1946-48 were largely the result of the short corn crop of 1947 and the record crop of 1948. The rise in prices from 1949 to 1951 was largely the result of increasing demand for livestock products and inflation caused by the Korean conflict.

Since 1951, feed grain prices have trended downward. Production has expanded, exceeding consumption in each of the last 5 years. Carryover

stocks have more than doubled. The excess has been acquired by the Commodity Credit Corporation under the price support program.

Prices received by farmers for livestock and livestock products fell about 30 percent from 1950-51 to 1954-56. During the past 2 years, livestock prices have gained back about a third of this reduction.

Farm Livestock

Since 1951 there has been little net change in the number of grain-consuming livestock on farms. The number increased about 10 percent from 1947 to the postwar high of 1950, declined rather sharply from 1950 to 1953, then increased, but has remained a little below the 1950 peak.

The price support program cushioned the effect of bumper feed grain crops in a number of years since its origin in 1933. In recent years, the percentage of the corn grown in the commercial area eligible for such support has

declined steadily to a low of only about a seventh of the total this year.

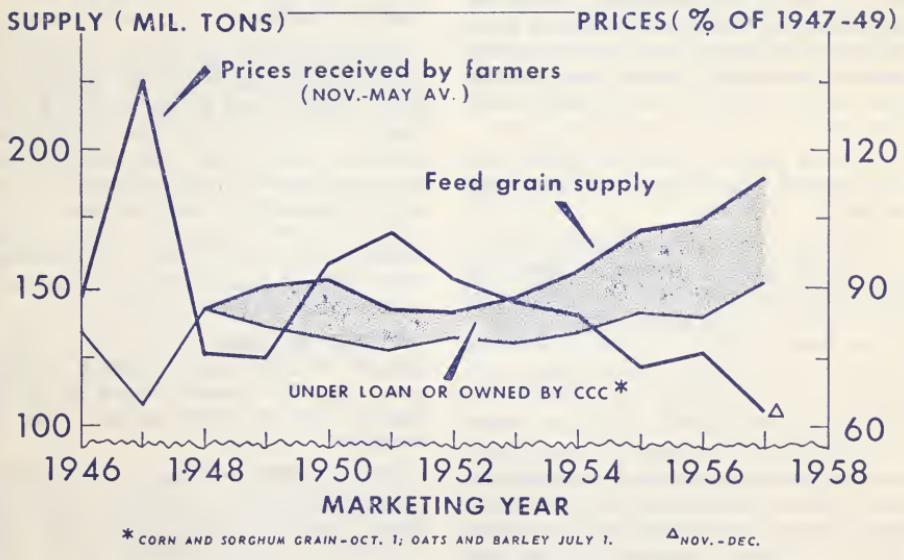
The price supports for feed grains have been lowered in recent years as corn supplies have increased. Corn price supports were reduced from a national average of \$1.62 per bushel for the 1954 crop to \$1.40 per bushel for the 1957 crop. Support prices for other feed grains also have been lowered.

Low feed prices this year have resulted in generally favorable livestock-feed price ratios. In January, the average price received by farmers for hogs per 100 pounds was equivalent in value to nearly 20 bushels of corn, much more than the 1937-56 average of 13.1 bushels.

Prices of beef steers, dairy products, and eggs also were high in January in relation to feed prices. Prices of broilers, farm chickens, and turkeys, however, have remained below the 10-year average relative to feed costs.

Malcolm Clough
Agricultural Economics Division, AMS

FEED GRAIN SUPPLIES AND PRICES



It Pays to Know

Livestock Grades

Livestock producers who have a good working knowledge of U. S. grade standards for beef cattle have a distinct advantage in making their plans for production and for marketing.

Though no Federal livestock grading service similar to that for carcass meats is available, almost all slaughter cattle are sold in terms of U. S. grades. Standards for these grades are issued by the Agricultural Marketing Service of the U. S. Department of Agriculture.

Market News Reports

These grade standards also serve as the basis for the market news reports which cattlemen use in deciding where and when to market.

Further, statistics based on market news reports indicate consumer preferences and allow forecasts of market trends to help him in planning what kind and how much of a certain quality of beef cattle he will produce.

Consequently, the extent of the livestock producer's knowledge of the grade standards and his ability to apply them to his own cattle will determine the amount of benefit he will receive from the standardization and market news services.

Here is a brief summary of the current grade standards for slaughter cattle:

PRIME grade cattle are low set, compact, and thickly fleshed. They are wide over the back, loin, and rump, and the rounds are thick and plump. Prime cattle have a thick and rather uniform covering of firm fat. They show evidences of high quality. Only steers and heifers are eligible for the Prime grade.

CHOICE grade cattle are moderately low set and compact and have moderately thick natural fleshing. The back and loin are moderately wide, and the twist and round moderately deep and plump. There is a moderately thick fat covering which may be slightly

uneven. Choice cattle usually have a moderately refined appearance.

GOOD grade cattle are slightly low set and compact with slightly thick natural fleshing. They are slightly wide over the back and loin; the rounds may appear slightly flat with little evidence of plumpness.

These cattle have a slightly thin fat covering. They usually appear slightly refined, although older cattle in the grade may exhibit some coarseness and uneven fat covering.

STANDARD grade cattle may be steers, heifers, or cows, with a maximum maturity of approximately 48 months. They tend to be slightly rangy and thin-fleshed. The crops, back, and loin are slightly narrow and the hips are somewhat prominent.

The loin, rump, and rounds appear flat with no evidence of fullness. Fat covering in the grade is slightly thin to thin and may be in evidence only over the back, loin, and ribs.

Mature Cattle

COMMERCIAL grade cattle are fully mature and this grade is limited to cows, heifers, and steers that are over about 48 months of age. They are slightly rangy and thin fleshed and have moderately wide backs and loins and prominent shoulders and hips. They frequently appear rather deep through their fore-ribs. Commercial cattle have a moderately thick fat covering which is often patchy.

UTILITY grade cattle may vary greatly in appearance because of the many possible combinations of grade factors and the wide range in age of animals.

These cattle are rangy, upstanding, angular, and thinly fleshed. They are usually narrow through the crops with a slightly sunken appearance of the loin, rump, and rounds. Hips and shoulders are decidedly prominent.

Mature cattle of the grade have a slightly thick fat covering, and finish ranges down to very thin for young cattle.

CUTTER grade cattle are usually fully mature, have very prominent hips and shoulders and very sunken rounds and loins, and are very rough and angular throughout. Fully mature Cutter cattle carry only a very thin fat covering while young cattle of this grade have no indications of fat covering.

CANNER grade cattle are usually advanced in age and so thin as to appear emaciated. They are extremely angular and thin fleshed and are extremely

narrow bodied and extremely prominent in the hips and shoulders. They have an extremely hollowed out appearance in the loin, rump, and rounds. The outline of the bony framework is very evident.

More detailed descriptions of the grades are contained in the printed "Official United States Standards for Grades of Slaughter Cattle," (SRA-AMS 112) which may be obtained from the Livestock Division, Agricultural Marketing Service, U. S. Department of Agriculture, Washington 25, D. C.

W. Edmund Tyler
Livestock Division, AMS

TIME TO PLAN FOR COTTON SERVICES

For cotton growers who want to get free classing and market news service this year, it's time to put away the seed catalogs and start some action.

Smith-Doxey Act

That's because under terms of the Smith-Doxey Act, these services are available only to organized groups of producers. Further, the organization must have as one of its purposes "the improvement of cotton grown by its members."

In order to qualify for the services the group must (1) adopt a single variety, (2) make arrangements with a ginner to prevent mixing seed or lint of different varieties, (3) have each bale sampled, and (4) have samples sent promptly to a classing office of the Cotton Division, Agricultural Marketing Service.

The first step for an organized group to take is to make application for the classing and market news services. Application forms, as well as additional information and instructions, may be obtained from classing offices or from county agricultural agents.

Applications must be in early so that

services will be available for cotton ginned early in the season. For some counties in southern Texas, the closing date for applications is June 1; in other areas it is August 1.

The popularity of the Smith-Doxey services to cotton growers has been growing. Last year more than 87 percent of all the cotton ginned in this country was classed free for the 55,077 farmer members of cotton improvement groups.

As every cotton grower knows, having official certification of the grade and staple of his bale of cotton puts him in the most favorable bargaining position possible. He knows the quality of his cotton—and by consulting current market news reports he also knows the market price of cotton of similar quality and staple length.

Improvement Groups

Cotton growers who organize improvement groups also have a good means of checking on performance of planting seed, of comparing merits of various varieties, and of evaluating harvesting and ginning practices.

A. C. Robison
Cotton Division, AMS

UNITED STATES
DEPARTMENT OF AGRICULTURE
AGRICULTURAL MARKETING SERVICE

WASHINGTON 25, D. C.

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**Farmer's Share of Consumer's
Food Dollar**

December 1956-----	40 percent
November 1957-----	40 percent
December 1957-----	41 percent

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